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President's panel hears testimony of a Cuban-American crime group

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NEW YORK — A hooded witness and a federal investigator yesterday described the emergence of a sophisticated and powerful Cuban-American organized crime group known as "The Corporation," run by a man called the Cuban Godfather and working with traditional Mafia families to control illegal gambling in New York and other cities.

The testimony about The Corporation was given before the President's Commission on Organized Crime, which is holding three days of hearings here on the involvement of organized crime in gambling, both legal and illegal.

As the federal investigator testified about the Cuban-American crime group, the alleged boss of the organization — Jose Miguel Battle Sr. — sat in the audience with a scowl and carefully followed the testimony.

Witnesses said that in New York City alone, The Corporation had 2,500 members and weekly gambling revenues of more than \$2 million, that it routinely used murder and arson to eliminate competition from other bookmakers, that it had entered into a "mutual-assistance pact" with the Mafia to share proceeds from illegal gambling and that it laundered illegal funds through lotteries in Puerto Rico and several states.

Battle, 55, a portly man in a dark blue suit and black hair swept straight back, is known by many names, including Don Miguel and *Padrino*, Spanish for "godfather." He was scheduled to testify yesterday, but the commission staff did not call him after learning he would invoke his Fifth Amendment privilege against self-incrimination.

Investigators described The Corporation as just one element in a huge

illegal gambling machine that earns an estimated \$26 billion to \$30 billion a year from wagering on sports, numbers and illegal casino games.

Several witnesses testified that organized crime had profited from legalized casino gambling by skimming money from casinos in Las Vegas and by controlling some unions and a segment of the junket business in Atlantic City.

"It is clear . . . that gambling provides organized crime with the money it needs to flourish," said commission chairman Irving R. Kaufman, a judge on the U.S. Second Circuit Court of Appeals in New York.

The commission, created in 1983 by President Reagan, has held six hearings and will make recommendations next year on how to fight organized crime.

Yesterday's hearing seemed designed to entertain the news media as much as to educate the commission, which includes retired U.S. Supreme Court Justice Potter Stewart. Witnesses gave demonstrations of how bookmakers used numbers slips that dissolved in water or burned instantaneously. Other witnesses showed surveillance films of bookmaking parlors and videotapes of gambling raids.

Commission staff members piled up stacks of illegally obtained currency and displayed gruesome photographs of the faces of three Chicago bookmakers allegedly executed by organized crime members.

Anthony Lombardi, a commission investigator, testified that Battle was a former Havana vice police officer who took part in the unsuccessful Bay of Pigs invasion, sponsored by the CIA, in 1961. After the invasion he was made a lieutenant in the U.S. Army by an act of Congress, Lombardi said. Battle then moved to Mi-

ami and established the country's first Cuban-controlled gambling organization, according to Lombardi.

Battle moved to Union City, N.J., in the late 1960s and later expanded his gambling operations into New York City, according to Lombardi's testimony.

"The result was a kind of mutual-assistance pact between The Corporation and La Cosa Nostra, whereby The Corporation paid a percentage of the action and laid off some bets with the Mafia," said Lombardi.

Today, The Corporation virtually controls illegal gambling in Spanish neighborhoods in New York, Miami and other cities, including the illegal sale of \$14 million in Puerto Rican lottery tickets each week, Lombardi said.

The Corporation uses the Puerto Rican lottery to launder money by obtaining the names of lottery winners, paying them more than the winning ticket was worth and then redeeming the winning tickets, Lombardi said. That way, he said, members of The Corporation can claim that they legally obtained money through lottery winnings.

The hooded witness, a member of The Corporation since 1980, described a vast network in New York City in which dozens of illegal betting parlors owned by The Corporation each provided \$7,000 to \$12,000 a day in revenue. Speaking through an interpreter, he said that The Corporation employed three full-time attorneys and regularly laundered money through banks.

The hooded witness described how The Corporation sent weekly payoffs to the Mafia and how Battle, whom he called Jose Miguel, used a chief enforcer nicknamed Lalo to take care of competitors.